

Message Text

CONFIDENTIAL

PAGE 01 STATE 098287

14

ORIGIN EA-14

INFO OCT-01 ADP-00 EB-11 SS-15 PA-03 GSA-01 OEP-01 COME-00

CIAE-00 DODE-00 PM-07 H-02 INR-10 L-03 NSAE-00 NSC-10

RSC-01 PRS-01 USIA-12 INT-08 TRSE-00 AID-20 STR-08

CIEP-02 /130 R

DRAFTED BY EA/ TB: TBLEHA: DME

5/21/73 EXT. 21741

APPROVED BY EA/ TB: AEBERGESEN

EB/ ORF/ ICD: JKYLE

S/ S - MR. BARNES

P MR. JONIETZ

----- 006814

R 222201 Z MAY 73

FM SECSTATE WASHDC

TO AMEMBASSY BANGKOK

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY JAKARTA

C O N F I D E N T I A L STATE 098287

E. O. 11652: GDS

TAGS: EMIN, PFOR, TH

SUBJ: THAI STOCKPILE MISSION

REF : BANGKOK 7310

1. DEPUTY COMMERCE MINISTER OSOT KOSIN ACCOMPANIED BY FORMER MINERAL RESOURCES DIRGEN VIJA SETHAPUT ARRIVED IN WASHINGTON MAY 12 FOR CONSULTATIONS WITH USG OFFICIALS CONCERNING RECENTLY ANNOUNCED USG STOCKPILE RELEASES, PARTICULARLY OF TIN AND RUBBER.

2. JOINED BY THAI AMBASSADOR ANAND PANYARACHUN AND THAI ECONOMIC COUNSELOR WIBUL AUNSNUNTA, OSOT AND VIJA MET MAY 14 WITH ASSISTANT SECRETARY ARMSTRONG AND DEPUTY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 098287

ASSISTANT SECRETARY KATZ. OSOT ASKED FOR USG " HELP"
ON RUBBER AND TIN RELEASES. MR. ARMSTRONG REPLIED THAT
IT SEEMED A GOOD TIME FOR RUBBER SALES SINCE PRICES WERE
HIGH AND THAT IF THE PRICE REMAINED HIGH THERE WAS
DANGER OF SWITCHING TO SYNTHETIC RUBBER. VIJA SAID THE
TIMING DID NOT APPEAR PROPITIOUS, HOWEVER, FOR TIN
DISPOSALS; THAILAND WAS CONTRIBUTING TO A TIN BUFFER
STOCK AND EXPERIENCING EXPORT RESTRICTIONS PLACED BY THE
INTERNATIONAL TIN COUNCIL. VIJA WAS TOLD WE HAD EXPECTED
TO SELL 18,000 TONS IN THE 14 MONTHS BEFORE JUNE 30,
1974 BUT, RESPONDING TO PRODUCER NATION AND ITC
COMMENTS, THE AMOUNT WILL BE LOWER ALTHOUGH NO DEFINITE

DECISION HAS YET BEEN REACHED. VIJA SAID THE THAI WOULD
LIKE US TO WITHDRAW OUR REQUEST (TO CONGRESS) TO DISPOSE
OF SOME 190,000 TONS OF SURPLUS TIN, TO NEGOTIATE THE
AMOUNT WE WOULD SELL IN THE NEXT YEAR, AND TO AGREE THAT
TIN DISPOSALS WOULD NOT EXCEED INCREMENTS TO US TIN
CONSUMPTION. MR. KATZ REPLIED THAT WE WOULD WATCH SALES
CLOSELY TO ENSURE THAT THEY DID NOT DRIVE DOWN THE PRICE
PRECIPITOUSLY, BUT WE COULD NOT ACCEPT LIMITATIONS ON
SALES WHICH WOULD HAVE NO EFFECT ON THE PRICE. IN OUR
OPINION, THE PRICE OF TIN IS TOO HIGH AND ONE OF THE
PURPOSES OF THE DISPOSAL PROGRAM IS TO REDUCE THE PRICE
TO A MORE REASONABLE LEVEL. (MEMCON BEING POUCHED.)

3. SHORTLY BEFORE THE ARMSTRONG MEETING ENDED, MR. OSOT
GAVE MR. ARMSTRONG A LETTER DATED MAY 11 FROM PRIME
MINISTER THANOM ADDRESSED TO THE PRESIDENT ON THIS
SUBJECT. THE LETTER NOTED THE PRIMIN' S " KEEN SENSE OF
ANXIETY AND MISGIVINGS" ABOUT THE RELEASE PROGRAM,
EXPRESSED THE RTG' S " SERIOUS CONCERN" AND STRESSED THE
IMPORTANCE OF TIN (AND TO A LESSER EXTENT RUBBER) TO
THE THAI ECONOMY. THE LETTER CLOSED BY REQUESTING THE
PRESIDENT TO RECONSIDER THE PROPOSED STOCKPILE RELEASES
IN LIGHT OF THE SPECIFIC THAI REQUESTS (CONTAINED IN
MAY 3 NOTE. (COMMENT: THE LETTER HAS BEEN FORWARDED
TO THE WHITE HOUSE.)

4. MAY 15, MR. VIJA (WITHOUT MR. OSOT) MET WITH GSA
OFFICIALS. IN RESPONSE TO HIS QUESTIONS, VIJA WAS TOLD
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 098287

THAT GSA WOULD CONSIDER CAREFULLY THE EFFECT OF ITS TIN
SALES ON THE MARKET, THAT IT WAS ADVERSE TO SETTING A
PRICE FLOOR BECAUSE OF PAST EXPERIENCE THAT SUCH A FLOOR
PRICE CAN EASILY BECOME A MARKET CEILING PRICE, AND THAT
IN DETERMINING ITS SALES, THE PENANG AND LONDON METAL
EXCHANGE PRICE OF TIN, AS WELL AS THE NEW YORK PRICE, WOULD
BE CONSIDERED. TIN SALES WOULD BE HELD DAILY AFTER CARE-

FULLY NOTING MORNING MARKET DEVELOPMENTS.

5. ON MAY 16, OSOT, VIJA, ANAND AND WILBUL MET WITH UNDER SECRETARY PORTER ALONG WITH DEPUTY ASSISTANT SECRETARY BARGER. THE UNDER SECRETARY SAID HE HAD FOLLOWED THE THAI MISSION'S CONSULTATIONS AND PROMISED CAREFUL CONSIDERATION OF THEIR VIEWPOINT, BUT NOTED THE NEED FOR ACTION TO COMBAT US INFLATION. MR. OSOT REFERRED TO REDUCED US MILITARY AID TO THAILAND, ADDING THAT MILITARY STRENGTH AND ECONOMIC DEVELOPMENT GO HAND IN HAND IN OUR MUTUAL EFFORTS TO COMBAT INSURGENCY. MR. VIJA STRESSED THAT TIN AND RUBBER ARE PARTICULARLY

IMPORTANT IN SOUTH THAILAND WHICH IS ITSELF THREATENED BY INSURGENCY. THE UNDERSECRETARY REASSURED THE THAI THAT WE HAVE NO INTENTION OF DISRUPTING THAI MARKETS, THAT WE INTEND TO PROCEED CAREFULLY, AND THAT THE DOOR IS ALWAYS OPEN TO FURTHER CONSULTATION SHOULD THE THAI DESIRE IT. AMBASSADOR ANAND NOTED THAT INDONESIA, MALAYSIA AND THAILAND, THE COUNTRIES DIRECTLY AFFECTED BY TIN RELEASES, ARE THE MAIN BULWARK AGAINST COMMUNISM IN SOUTHEAST ASIA, AND THAT THEY WERE ASKING, NOT FOR AID OR LOANS FROM THE US, BUT SIMPLY THAT THE US REFRAIN FROM SELLING STOCKPILE TIN. THE MEETING CLOSED WITH THE UNDERSECRETARY REPEATING HIS EARLIER REASSURANCES. (MEMCON BEING POUCHED.)

6. LATER THAT DAY MR. BARGER HOSTED A LUNCHEON FOR THE MISSION, BUT MR. OSOT WAS UNABLE TO ATTEND. OSOT LEFT WASHINGTON FOR NEW YORK MAY 16. VIJA WILL STAY ON IN WASHINGTON UNTIL THE FINAL DECISIONS (EXPECTED WITHIN A WEEK) ON TIN RELEASES IS ANNOUNCED.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 098287

7. COMMENT: IN GENERAL THE VISIT WAS REMINISCENT OF OSOT'S DECEMBER 1971 VISIT ON TEXTILES. HIS TALKS WITH WASHINGTON OFFICIALS PRODUCED NO TANGIBLE RESULTS BUT THE CUMULATIVE EFFECT OF STRONG REPRESENTATIONS BY COUNTRIES SUCH AS THAILAND HAVE SERVED TO ALERT THOSE OFFICIALS TO THE SERIOUSNESS WITH WHICH TIN PRODUCERS VIEW STOCKPILE RELEASES. IN THE FINAL ANALYSIS US AND THAI INTERESTS IN THIS MATTER ARE NOT THE SAME: WE ARE INTERESTED IN PUTTING TIN ON THE MARKET IN ORDER TO REALIZE REVENUES AND BRING THE PRICE DOWN TO A MORE REALISTIC LEVEL AND THE THAI ARE INTERESTED IN WITHHOLDING TIN FROM THE MARKET IN ORDER TO MAINTAIN THE PRESENT OR HIGHER PRICE LEVELS. RUSH

CONFIDENTIAL
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PFOR
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE098287
Document Source: CORE
Document Unique ID: 00
Drafter: TBLEHA: DME
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730550/aaaajobk.tel
Line Count: 170
Locator: TEXT ON-LINE
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 BANGKOK 7310
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 21 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21-Nov-2001 by martinml>; APPROVED <26 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980225
Subject: THAI STOCKPILE MISSION
TAGS: EMIN, TH
To: BANGKOK
JAKARTA
KUALA LUMPUR
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005